December 14, 2001

By Electronic Filing

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: EX PARTE -- CC Docket No. 01-277: Application by BellSouth for Authorization to Provide InterLATA Services in Georgia and Louisiana

Dear Ms. Salas:

BellSouth continues to file *ex parte* letters purporting to show that its poor OSS is not worse than that of other BOCs that have been granted section 271 authorization by the FCC. In BellSouth's December 10 submission, it purports to show, for example, that it has provided more evidence that its pre-ordering and ordering interfaces are integratable than SWBT provided in Texas. This is not true (as detailed below), but more important, by seeking the very worst comparison on each individual issue, BellSouth ignores the larger principle this Commission has repeatedly made clear: "[t]he determination of whether a BOC's performance meets the statutory requirements necessarily is a contextual decision based on the totality of the circumstances and information before us." Texas Order ¶ 57. The number and magnitude of outstanding OSS issues is far greater in BellSouth's current application than existed in any section 271 application approved by the Commission. The Department of Justice, whose recommendation is entitled to "substantial weight," recognized this. KPMG also acknowledges as much by continuing to issue exceptions pertaining to many of these issues in Florida. Indeed, as a result of ongoing issues, Florida recently delayed important portions of its section 271 evaluation from January until the OSS test is completed in April 2002, and ordered a second phase of OSS testing to include BellSouth's new billing system.

The impact of BellSouth's OSS problems is severe. As a result of OSS defects, WorldCom is forced to hand hold its orders with BellSouth and devote excessive resources to try to make up for BellSouth's inadequacies. WorldCom devotes four times more Information Technology ("IT") resources to BellSouth in Georgia than it devotes in any state WorldCom previously entered (which are the states of New York, Texas, Pennsylvania, Michigan and Illinois). Continued devotion of this level of resources is unsustainable. Moreover, these OSS problems are causing substantial ongoing problems for customers – including loss of dial tone and double billing, which are likely to harm WorldCom's reputation in the market and make future acquisition of customers more difficult. Thus, while WorldCom has worked very hard to obtain the residential customers we now have in Georgia, competition will decrease, not increase, if OSS problems are not resolved.

In the sections that follow, we respond to BellSouth's assertions in its December 10 *ex* *parte*, as requested by the Commission. We conclude with a short section highlighting several other important OSS issues that BellSouth ignores in its latest filings that have serious competitive impacts. We demonstrate throughout that BellSouth's assertions are inaccurate and that BellSouth's problems continue to severely hamper our competitive entry and cause significant problems for customers. We also illustrate how these deficiencies have been found unacceptable for section 271 approval by prior FCC orders.

INTEGRATION OF PRE-ORDERING AND ORDERING

- The Commission rejected BellSouth's prior section 271 applications in large part because BellSouth failed to show that its pre-ordering and ordering interfaces could be integrated. South Carolina Order ¶¶ 155-66; Louisiana I Order ¶¶ 49-55; Louisiana II Order ¶¶ 96-103. The Commission re-emphasized in its Texas Order that "in order to demonstrate compliance with checklist item 2, the BOC must enable competing carriers to transfer pre-ordering information (such as a customer's address or existing features) electronically into the carrier's own back office systems and back into the BOC's ordering interface. We do not simply inquire whether it is possible to transfer information from pre-ordering to ordering interfaces – we assess whether the BOC enables successful integration." Texas Order ¶ 152. BellSouth has not shown that it enables CLECs to perform such successful integration.
- BellSouth claims that it has presented as much evidence that its interfaces can be integrated as SWBT presented in Texas. This is not so. In concluding that SWBT's Texas interfaces could be integrated, the Commission relied on three types of evidence. First, it relied on Telcordia's test of integration. In Texas, Telcordia "used documentation and other information obtained from SWBT to develop a program that automatically parsed and transferred information, including address information, obtained from SWBT to develop a program that automatically parsed and transferred information, obtained through the pre-ordering process directly onto an LSR." Texas Order ¶ 158.
- In contrast, in Georgia, KPMG did not attempt to integrate pre-ordering and ordering. It "manually copied" pre-ordering information into an order. MTP Final Report at V-13. But manually copying the information avoids the difficulty caused by return of the information in a concatenated form – the inability to write a computer program to separate the concatenated information. Even more fundamentally, the very pre-order function that cannot be integrated – CSRs – was not even tested by KPMG at all with respect to its capacity for integration. MTP Final Report at V-A-28 to V-A-31 (showing test of due date and other pre-order functions but not CSRs). And even with respect to the very limited testing it did perform, KPMG found that information in the pre-order and order fields "did not agree." Id. BellSouth's recent response to CLEC questions on the planned "parsed CSR" implementation confirms that pre-order and order fields do not agree. Simply put, in Texas the Commission explained that it will give "substantial weight" to a test "where the tester (i) submits a pre-order query; (ii) receives data from the BOC; (iii) auto-populates the data into the LSR; and (iv) submits the LSR to the BOC." Texas Order ¶159 n. 431. KPMG did not perform steps (iii) and (iv) for any pre-ordering functions, and did not even manually populate the data for CSRs.
- In its December 12 *ex parte*, BellSouth purports to show that KPMG conducted each of the steps described by the Commission. Its citations to KPMG's report are entirely misleading. BellSouth cites section Domain Results V-4 of the MTP Final Report for the proposition that

BellSouth obtained CSRs via a direct database extract process and loaded them into a database – but this does not remotely suggest that KPMG parsed the information before loading it into the database as a CLEC would have to do to maintain the data in its records. BellSouth then cites page V-13 for the proposition that BellSouth "Populated Integration Orders with information from designated pre-order queries (V-13) (and the CSR database)." But page V-13 says that what KPMG did was manually copy the information into an LSR. Moreover, neither that page nor any of the specific test results that follow say that BellSouth did this for the CSR database as BellSouth suggests. BellSouth then lists functions of "submit integration orders," "receive acknowledgement," "receive FOC," seemingly suggesting that KPMG performed these functions. But BellSouth provides no citation. It is clear that since KPMG did not electronically pre-populate information from pre-ordering onto orders, it could not have submitted such orders.

- In the same *ex parte*, BellSouth states that it brought KPMG representative Michael Weeks to the meeting who indicated that KPMG had been required to develop the ability to parse information. WorldCom has no idea what Mr. Weeks said in the meeting, but the KPMG report does not indicate anywhere that KPMG parsed CSR information. If BellSouth believes that KPMG did so, it should have had KPMG file a declaration explaining what it did, so that CLECs could evaluate this testimony.
- Second, in conjunction with the Telcordia test, the Commission relied on letters from CLECs stating that they had integrated pre-ordering information with EDI ordering. <u>Texas Order</u> ¶¶ 155-56. One of these CLECs specifically stated that it had integrated service and feature codes – which are extremely important to integrate, as we explained in our December 6 *ex parte*.
- In contrast, in Georgia, BellSouth relies on *ex parte* letters from CLECs that state only in the most general terms that they have integrated.[1] Some of the letters even suggest that full integration has not occurred. Exceleron's letter, for example, states that GoComm is able to populate orders "with minimal human intervention." That is not true integration.
- WorldCom has described five critical aspects of the CSR that must be integrated but for which BellSouth does not provide parsed information: (1) customer name; (2) unit number and room; (3) directory listing and address information; (4) feature and blocking information; and (5) hunting information. None of the *ex parte* letters provided by BellSouth or CLEC testimony cited by BellSouth specifically indicate that the CLEC has succeeded in integrating any of these functions. The letters and testimony also do not state that CLECs have succeeded in integrating pre-ordering with EDI ordering – the industry standard method of ordering used by large CLECs and discussed in all prior section 271 orders of the Commission. To the contrary, they indicate that the CLECs have integrated TAG pre-ordering with BellSouth's proprietary TAG ordering interface. Moreover, as best as WorldCom can determine, none of these CLECs relied on by BellSouth provide residential service via UNE-P. GoComm's web site, for example, indicates that it provides a phone-card service, a resale service in which payment is provided in advance and which does not

[1] These *ex parte* letters were filed extremely late. Unlike SWBT, which may not have known that the Commission would desire such evidence, BellSouth has no excuse for the extremely late provision of this evidence given the Commission's emphasis on such evidence in its Texas Order.

usually involve sale of any features. Access Integrated does not make clear what type of service it provides, although its website references only business customers; but its *ex parte* is useless in any event since Access integrated states that it achieved integration on November 27, 2001, meaning there has been almost no time to evaluate whether that integration has been successful. DeltaCom provides business service and, like the other CLECs, provides no details concerning what it has integrated. The level of integration required for these types of services is different than for high volume UNE-P residential transactions required by WorldCom.

- WorldCom has explained that based on its evaluation of the documentation provided by BellSouth, it cannot parse the information provided by BellSouth on its own. Thus, while BellSouth claims that no CLEC has said it tried to integrate but could not, December 10 *ex parte* letter at 1, BellSouth appears to be very narrowly defining the word "tried." WorldCom has not expended development resources to build integrated pre-ordering and ordering interfaces – with the exception of service address information from the RSAG that is returned in a parsed format – because it determined that it could not do so. In addition, because BellSouth has been promising for more than a year that it would soon provide parsed CSRs, leading CLECs reasonably to conclude that it did not make sense to spend resources trying to integrate, it ill behooves BellSouth to turn around and blame CLECs for not attempting to integrate.

- Third, in Texas, the Commission recognized "that SWBT has engaged GE Global Exchange Services (GXS) as a third party expert to provide high-level consulting advice to competing carriers that seek to integrate pre-ordering and ordering functions." Texas Order ¶ 161. BellSouth has not made a similar offer.

- Finally, although it did not specifically rely on this fact in concluding that integration was possible, the Commission took comfort from SWBT's implementation of migration by telephone number (while specifically noting that even successful implementation of migration by telephone number would not eliminate the need for the BOC to show parsing was possible). Texas Order ¶ 160 n.435. In Texas, SWBT's implementation of migration by telephone number worked immediately. In contrast, BellSouth's November 3 implementation of migration by telephone number initially led to a doubling of WorldCom's reject rate. And BellSouth's November 17 "fix" of this problem does not yet work either. BellSouth continues to reject a number of orders for address errors manually – even though this is contrary to its stated procedures – because BellSouth failed to provide proper training prior to implementing the change. This indicates both the problems with manual processing and problems with change management. More fundamentally, BellSouth is now rejecting orders when the street address number, which is included on the order along with the telephone number, does not match both of BellSouth's back-end address databases. When BellSouth's databases do not match, through no fault of the CLEC, the CLEC's order is rejected. The only way the CLEC can correct the problem is by calling BellSouth and having BellSouth fix the problem. This is taking an average of 25 minutes per reject. Thus, while BellSouth's implementation of migration by telephone number has somewhat reduced the number of rejects, this change also has increased the difficulty of correcting these rejects. Because of BellSouth's late implementation of migration by telephone number, there is no way yet to know the magnitude of this problem.

- Unlike SWBT, which implemented migration by telephone number soon after it was requested by CLECs and thus had some excuse for its implementation late in the section 271 process, BellSouth has known the importance of such migration for years both from the Texas Order and from the request for this functionality that WorldCom made in change management. BellSouth is the only BOC to delay implementation of migration by telephone number for so long and, as a result, does not yet have a workable system in place.

- BellSouth's failure to provide integrated interfaces causes significant competitive harm. WorldCom's reject rate remains far higher in Georgia than in other states it has entered. BellSouth continues to reject far too many orders – twice as many as have been rejected by other BOCs at a comparable point after market entry. WorldCom December 6 *ex parte*. The Commission has previously rejected BellSouth section 271 applications because "BellSouth has not adequately explained or supported its contention that the errors of competing carriers are the cause of its EDI interface's high rejection rate." South Carolina Order ¶ 114. That remains true. While BellSouth attempts to argue that its reject rate is similar to those of other BOCs, BellSouth's method of calculating rejects is different than other BOCs because BellSouth leaves a significant category of rejects – what it terms "fatal rejects" – out of the calculation. WorldCom's data, which is calculated using a consistent methodology across the country, shows BellSouth's reject rate is much higher than that of other BOCs.

- Moreover, because WorldCom cannot integrate directory information, it is forced to forego offering its customers the option of changing their directory listing information at the time of a migration order. And because WorldCom cannot integrate services and feature information it is forced to verbally ascertain from customers what features and blocking options they have on their lines – leading to mistakes when customers forget some of the features and options. A customer who desires 900/976 blocking, for example, may not receive that feature leading to a very angry customer when the customer's child begins calling 900 numbers. Finally, WorldCom is forced to spend far more time processing orders because of the inability simply to transfer information from the pre-order stage.

- BellSouth states that it has a binding legal obligation to offer a fully parsed CSR by January 5, 2002. Dec. 10 *ex parte* at 3. But BellSouth still has not provided CLECs business rules for that release, leading KPMG to issue an Observation in Florida for BellSouth's failure to meet the change management requirement that it provide business rules five weeks in advance of a release date. (Att. 1 hereto.) Moreover, even the limited documentation BellSouth has provided shows that it has failed to live up to the agreement it made with CLECs more than a year ago on parsed CSRs. BellSouth's documentation does not include 19 fields CLECs identified as necessary.

SERVICE ORDER ACCURACY

- BellSouth's performance with respect to service accuracy remains poor. Although BellSouth claims that Birch is the only CLEC that has attempted to show harm from BellSouth's poor performance, this is not so. WorldCom has identified two key concerns that stem directly from BellSouth's inaccurate processing of service orders.

- First, BellSouth has improperly routed tens of thousands of intraLATA calls through its own switches, rather than through the switches of the intraLATA carriers chosen by WorldCom's customers (generally WorldCom). Moreover, the problem is growing. This misrouting denies the customer service from the carrier of its choice and leads to a loss of revenue for the chosen intraLATA carrier. BellSouth itself identified "translation errors" as the cause of the problem. Scollard Reply Aff. ¶ 2. The Commission has never been faced with a similar problem in any prior section 271 application.

- Second, two percent of WorldCom customers continue to lose dial tone in the first 30 days after migration, a problem noted by the Department of Justice. Although BellSouth has long claimed that loss of dial tone is largely unrelated to migration, it is absurd to think that 2% of BellSouth's retail customers lose dial tone each month, and BellSouth has not suggested they do. The problem clearly does relate to migration, and appears largely to result from BellSouth's failure to place the appropriate code (RRSO FID) on the two service orders it creates from every LSR to ensure the service orders are related. In Florida, KPMG recently examined 48 WorldCom customers who lost dial tone and initially concluded that 21 of these customers lost dial tone directly as a result of problems related to migration and many of these lost dial tone as a result of switch translation problems. WorldCom Dec. 6 *ex parte* Att. 2. KPMG was unable to determine the cause of lost dial tone for the other 27 customers.
- After WorldCom submitted its December 6 *ex parte*, KPMG informed WorldCom that its investigation report was only a draft. On December 11, KPMG issued a new draft in which it concluded that 19 of 45 orders that lost dial tone were related to migration orders. (Att. 2.) KPMG concluded that for the remaining 26 orders it did not have sufficient evidence in BellSouth's trouble reports to link loss of dial tone to the migrations. KPMG then took the 19 orders for which it could establish that migration caused loss of dial tone and divided by the total number of WorldCom orders over the time period to conclude that fewer than 1% of WorldCom orders lost dial tone in the time period. But as WorldCom quickly pointed out to KPMG, the trouble tickets it provided to KPMG on lost dial tone were only examples; they did not represent all WorldCom customers who had lost dial tone. Thus, KPMG's division of this sample of orders by WorldCom's total order volume was inappropriate. Moreover, the fact that KPMG was only able to tie lost dial tone for 19 of the 45 orders to migration did not show that the other loss of dial tone was unrelated to migration. All that KPMG concluded was that there was insufficient evidence from BellSouth's trouble reports to conclude that migration was the cause of the problem.
- KPMG has indicated it wishes to discuss its conclusions with WorldCom next week before issuing a final draft. But it is clear that the real message of the KPMG investigation is that almost half of WorldCom's customers who lose dial tone do so as a result of problems with migration and for the others, there is no basis yet to draw a conclusion one way or the other.
- The Georgia Commission required BellSouth to adopt a single service order process in its back-end by January 2002 to address at least eliminate part of the lost dial tone problem. But BellSouth has announced it will not implement the change until April. It has also stated that this change is not "CLEC impacting" and therefore will not be subject to a CLEC test period.
- In Texas, the Commission approved SWBT's application despite some CLEC concern about loss of dial tone. The Commission accepted SWBT's evidence that loss of dial tone was less than one percent. <u>Texas Order</u> ¶ 199. Here, WorldCom has shown loss of dial tone is twice that high in the first 30 days after migration and KPMG has shown that much, if not all, of the lost dial tone results from the migration process.

<u>CHANGE CONTROL</u>

- BellSouth's change control process continues to cause substantial competitive harm and fails to meet the requirements established by this Commission. First, the Commission requires a BOC to demonstrate "the efficacy of the documentation" it provides to CLECs to construct their interfaces. Texas Order ¶ 108. Recent experience shows BellSouth's documentation is inadequate. The September documentation BellSouth provided on its intended release of parsed CSRs, for example, was entirely unclear and has prompted numerous questions from CLECs, many of which have still not been answered satisfactorily less than a month before that release is scheduled to go into effect.
- Similarly, when BellSouth provided initial documentation for its initial migration by telephone number release in October, that documentation was extremely unclear. It seemed to suggest, however, that CLECs would have to strip addresses off of their orders if they wanted the release to work properly. BellSouth subsequently confirmed this at a change management meeting on October 25. Then, on November 2, the afternoon before the release was scheduled to be implemented, BellSouth informed CLECs that if they followed its prior directions and stripped addresses off of their orders, 30% of their orders would be rejected. BellSouth later explained that the reason that its initial direction to CLECs had been wrong was that BellSouth's Information Technology ("IT") personnel – those who write the software for a release – had not reviewed the business rule documentation that had been sent to CLECs and had not participated in the discussion with CLECs on what the business rules were. It is astounding that IT personnel were not involved in drafting business rule documentation and were divorced from the change management process. In other BOCs, such as Verizon and SWBT, IT personnel run the change management process.
- Second, a BOC must "provide timely, complete, and accurate notice of alterations to its systems and processes." Texas Order ¶ 126. BellSouth does not do so, as recent experience again shows. BellSouth did not release its (erroneous) business rule documentation for the migration by telephone number change until October 19, 2001 even though the change was scheduled to go into effect on November 3. BellSouth's change management process requires that BellSouth provide CLECs business rule documentation five weeks before a minor release.
- BellSouth has also failed to meet this deadline for its upcoming January 5 release for parsed CSRs. On December 12, KPMG opened an Observation in Florida as a result of this failure. And the five week deadline in BellSouth's change management process itself provides too little notice to CLECs of an impending change. In contrast, for comparable releases, SWBT's change management plan required it to provide documentation of changes to an application-to-application interface 110 to 130 days prior to a change and generally met that deadline. Texas Order ¶¶ 127 n. 388, 128 & n.340. Moreover, CLECs could invoke a go/no go vote to delay implementation of the release, which they cannot do in BellSouth. Texas Order ¶ 130.[2]
- In addition, BellSouth considers some changes outside the scope of change management altogether and thus feels no obligation to provide notice of these changes at all. Unlike any other BOC, for example, BellSouth considers billing outside the scope of change management even though nothing in the change management plan says this is so. Thus,

[2] There is no versioning for minor releases so versioning would not help CLECs avoid the impact of a change for which they have not had adequate time to prepare.

BellSouth feels it is under no obligation to provide notification to CLECs with details of its significant January billing release called Tapestry.

- BellSouth also believes it is under no obligation to provide notification of changes that it does not consider to be "CLEC impacting" – changes that BellSouth believes do not require CLECs to re-code their interfaces. BellSouth has used this justification as one explanation for its failure to meet the deadline for business rule documentation for the migration by telephone number release (even though this release did require coding changes). It has also used it as a justification for not informing CLECs of the many changes it has made to its due date calculator – even though these changes have caused problems for CLECs which they might well have been able to compensate for if they had expected the changes in advance. And, astonishingly, BellSouth has now informed CLECs that its change to a single-order process in its back-end, a process that will substantially alter the way BellSouth processes orders, will not be considered CLEC-impacting and BellSouth will not provide CLECs details of the change before it happens. Thus, CLECs will have no way to prepare for possible impacts of the change. This is entirely unacceptable. In Florida, in August, KPMG opened Exception 88 in part because BellSouth did not consider all changes, including those it deemed non-CLEC impacting, to be part of change management. (Att. 3).

- Third, a BOC must provide adequate technical assistance to CLECs to address problems that do arise. Texas Order ¶ 144. BellSouth fails to provide adequate technical assistance to CLECs. For example, BellSouth failed to provide any representatives trained in UNE-P to address WorldCom billing questions until five months after market launch – in October. BellSouth failed to include any representatives from its IT department in meetings to discuss the OSS issues raised by WorldCom until six months after market launch – in November. As a result, WorldCom was faced with repeated delays in resolution of critical issues. In August, for example, WorldCom expressed concern that BellSouth was not providing complete "line loss" reports, which inform CLECs that a customer has left them. The result was that customers were double billed. WorldCom did not receive any explanation until October and, in November, when WorldCom was finally able to meet with a BellSouth IT representative, the representative said that IT had been unaware of the problem and would only then begin looking into a solution. Although WorldCom was hopeful that this high level IT representative would continue to attend meetings to discuss issues with WorldCom, she is no longer doing so. BellSouth is now sending a lower level IT person and has not guaranteed that even this practice will continue if section 271 authorization is granted.

- Fourth, the Commission has specifically emphasized the importance of a separate testing environment that mirrors the production environment. Texas Order ¶¶ 132-33 (describing SWBT's testing environment that was "physically separate" from the production environment); Massachusetts Order ¶¶ 109-10. As WorldCom re-emphasized in its December 6 *ex parte* letter, BellSouth lacks a separate test environment that would enable CLECs to effectively test changes in interfaces before they go into production. Rather than mirroring the production environment, BellSouth's test environment is part of the production environment. Test orders are separated from production orders using special codes that have to be placed on each order – requiring additional work for CLECs, diminishing the value of the test results, and posing a substantial risk that production and test orders will be intermingled to the detriment of both. Indeed, in the very limited use of the CAVE test environment that has occurred, BellSouth already transmitted FOCs and completion notices for 1,521 production orders into WorldCom's test environment. Moreover, the "test environment" is only available at limited times. For example, CAVE was unavailable when BellSouth implemented its migration by telephone release; thus CLECs were unable to test the release before it was implemented to determine in advance the problems that would occur. WorldCom was required to test migrate by TN in the production environment. Finally, the "test environment" does not accurately mirror production. BellSouth appears to use the special codes on the orders as indicators that BellSouth should manually handle the orders – resulting in very different results in the test environment than would occur with production orders. Additional details are provided in our December 6 *ex parte* and earlier filings.

- Finally, and perhaps most important, the Commission has emphasized that CLECs must have "substantial input in the design and continued operation of the change management process." Texas Order ¶ 108. In describing what it means for CLECs to have substantial input into continued operation of the change management process in New York, the Commission noted that Bell Atlantic "prioritize[d] changes based on merit, rather than sponsor of the change." New York Order ¶ 106. And in Texas, the Commission explained that "change releases will be based on consensus among the parties. Texas Order ¶ 111. BellSouth's change management process suggests that it too will prioritize changes based on merit – but the reality is far different. Few requests for additional functionality made in the change management process are ever implemented and the number of changes that are implemented that have been prioritized by CLECs is even smaller. This is far different than what WorldCom has experienced in other markets. In a rapidly changing telecommunications market, it is critical that CLECs be able to request that new functionality be implemented and ensure that it is implemented. This does not occur with BellSouth.

- Unlike Verizon, for example, which implemented migration by telephone number and parsed CSRs soon after CLECs requested them, New York Order ¶ 204, and SBC which also implemented migration by TN soon after CLECs' request, BellSouth had to be ordered by state commissions to implement these changes years after CLECs requested these changes through the change management process. Other important changes have languished as well. For example, in September 2000, WorldCom requested BellSouth implement Interactive Agent – a method of transmitting orders and notifiers which is provided by all other BOCs. Interactive Agent would allow orders and notifiers to flow directly between WorldCom and BellSouth without traveling through the Value Added Networks ("VAN") of third-party providers. Orders become delayed in the VAN, time which is not counted in BellSouth's performance reports. Yet BellSouth still has not scheduled implementation of Interactive Agent.

- Indeed, BellSouth has implemented only 15 changes for additional functionality that CLECS have prioritized in the four change control prioritization meetings since June 28, 2000. This is a very small number of changes. BellSouth states that it implemented 32 CLEC-initiated change requests and 33 BellSouth initiated change requests between the inception of change control and October 15, 2001. But many of these changes were not changes that had been prioritized by CLECs. BellSouth often implements changes that have not been prioritized ahead of changes that have been prioritized, defeating the purpose of the prioritization process. And even the sum total is a paltry number, as are the five prioritized changes BellSouth states it intends to implement in the first half of 2002 – two of which it was ordered to implement. In contrast, Verizon implemented 170 prioritized changes from October 2000 to October 2001 alone. Lichtenberg, Desrosiers, Kinard & Cabe Decl. Att. 25.

Importantly, BellSouth continues to categorize Type 6 changes (repair to systems defects caused by BellSouth's poor systems development process) as "CLEC requested" changes, further skewing the statistics.

- Much of the reason for BellSouth's failure to implement more prioritized changes for new functionality is that BellSouth implements releases with so many defects that it then has to correct those defects in subsequent releases, leaving less space available for new functionality. Additionally, BellSouth uses much of its release space for changes it decides to implement entirely outside of the change management process. As noted above, BellSouth considers billing changes and changes that it deems non-CLEC-impacting to be outside the scope of change management. BellSouth decides on these changes and implements them without even presenting them to CLECs in change management.

- It was exactly for this reason that KPMG opened Exception 88 in August. KPMG explained that "[t]he CLEC Community's lack of participation in change requests that effect CLEC business could result in change requests important to the CLEC Community not being developed or implemented in a timely manner." (Att. 3.) BellSouth responds that it has now provided a proposed fix to the change management process – a proposal it made after the Department of Justice criticized BellSouth's existing process. But, as we explained in our December 6 *ex parte*, that proposal is entirely inadequate. KPMG has now reached the same conclusion for very similar reasons. (Att. 3.)

- Change management is the core process that must work to ensure that OSS remains effective as local competition develops. That process is now broken. It must be fixed before BellSouth gains section 271 authority.

DATA ACCURACY

- WorldCom has chosen to focus its advocacy on specific problems it has experienced as it has entered the market, rather than criticisms of BellSouth's data. But in the areas of central concern to WorldCom, it is clear that BellSouth's data is not accurate – or at least does not accurately represent the underlying problems. BellSouth continues to blame all sorts of problems, such as erroneous rejects and incomplete line loss reports on manual errors, but BellSouth's high level of manual processing is not fully reflected by its flow-through data. Indeed, as WorldCom has previously explained, despite all of BellSouth's changes in its flow-through calculations, BellSouth never changed the instructions in its PMAP database that explain to CLECs the logic by which BellSouth calculates flow through and would allow CLECs to attempt to duplicate BellSouth's calculation. Thus, CLECs have no way of verifying BellSouth's new flow through numbers. Moreover, as explained below, it is clear that BellSouth is counting some orders as flowing through even though they are manually processed.

- BellSouth continues to reject a high number of WorldCom orders but BellSouth's data show a lower number of rejects. This may be because BellSouth excludes what it calls "fatal rejects." This does not appear to be a complete explanation, however. What is clear is that BellSouth's reject data do not accurately reflect the true reject rate.

- KPMG continues to open exceptions and observations concerning metrics problems in Florida. Open Exceptions that are of particular concern to WorldCom include: Exception 36 (BellSouth does not properly construct the processed data used to validate certain Ordering

Service Quality Measurements); Exception 109 (KPMG cannot replicate the values in the Ordering Acknowledgments Message Timeliness measure); and Exception 114 (BellSouth excludes data that go into the calculation of FOC timeliness). KPMG has also opened two exceptions in the past month that also concern WorldCom: Exception 119 (BellSouth is not adhering to the documented metrics change control process for tracking changes in Team Connections) and Exception 120 (BellSouth incorrectly excludes data that go into the calculation of the percent rejected service requests). Open Observations of particular concern to WorldCom include Observation 137 (KPMG cannot replicate the values for FOC Completeness); Observation 138 (instructions in raw data manual are misleading); Observation 142 (data errors in calculation of average order interval); and Observation 148 (BellSouth does not fix defects for all versions of the OSS). The latter two observations were opened just this month.

OTHER ISSUES TO WHICH BELLSOUTH FAILS TO RESPOND

Finally, it is important to briefly highlight several important issues that BellSouth ignores in its latest filings.

- Thousands of customers are being double billed as a result of BellSouth's failure to include these customers on the line loss reports it provides to WorldCom that inform WorldCom when customers have migrated away from WorldCom to another carrier. Without the required line loss reports, WorldCom cannot mechanically integrate loss notification into its billing systems and must manually stop customer billing when a customer calls to notify us of the situation. WorldCom has received more than 1,285 complaints of continued local billing since it launched service in Georgia in May. After months of stonewalling, BellSouth finally provided missing line loss reports from October 1 through December 1, which included 2,744 customers who had left WorldCom in those two months. BellSouth did not provide the data for customers who had been left off the line loss reports prior to October 1 and likely still are being double billed and, even more important, has not fixed the process on a going forward basis. In its Pennsylvania Order, the Commission indicated the importance of accurate line loss reports. Pennsylvania Order ¶ 52. And in its Michigan Order, the Commission stated that "double-billing is a serious problem that has a direct impact on customers, and therefore, must be eliminated." Michigan Order ¶ 203. The Commission has never approved a section 271 application in which a BOC had serious, ongoing problems with its line loss reports.

- BellSouth manually processes far too many orders and that manual processing continues to lead to problems. For example, after BellSouth's recent implementation of migration by telephone number, BellSouth continued to transmit rejects to WorldCom based on address issues as a result of errors by BellSouth representatives. BellSouth has also attributed deficiencies in its line loss reports to manual errors. While BellSouth contends that its flow-through rate is as high as the rate in states in which the BOC has received section 271 authorization, BellSouth's flow-through numbers are ever-changing and thus untrustworthy. Moreover, WorldCom specifically demonstrated in its initial filing that many of the orders BellSouth counts as flowing through are actually manually processed. And BellSouth acknowledged in its reply that this is so – many of the orders that are manually processed "are not part of the Service Quality Measurements (SQM) Flow Through Calculation." Stacy Reply Aff. ¶ 185. Thus, BellSouth's numerical comparison with other BOCs is inapposite. Finally, it is important to note that the Commission has never previously approved a section 271 application in which even basic UNE-P orders – such as migration orders for customers with voice mail or call forwarding – fall out for manual intervention. Indeed, the Commission rejected BellSouth's prior section 271 applications in part as a result of poor flow through. See, e.g., Louisiana II Order ¶ 109.

- BellSouth has serious ongoing billing problems. BellSouth fails to provide the billing telephone number on six and a half percent of the lines for which WorldCom was provided a wholesale bill, which prevents WorldCom from determining whether bills on these lines were proper. WorldCom has pointed out a number of other significant billing problems as well. In its Pennsylvania Order ¶¶ 13-30, the Commission properly explained that BOCs must provide CLECs with complete, accurate and timely bills. While Verizon had fixed most of its billing problems by the time of section 271 approval in Pennsylvania, BellSouth has not taken any steps to address its billing problems. Moreover, Verizon did not have the myriad of other OSS problems experienced by BellSouth.

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Each of these individual problems would warrant rejection of BellSouth's application. In the aggregate, the outstanding OSS problems far exceed those in any application approved by the Commission or the problems experienced by WorldCom in any other market at a comparable time in its launch. BellSouth's application should be denied.

Pursuant to the Commission's rules, I am filing an electronic copy of this letter and request that it be placed in the record of this proceeding.

Sincerely,

Keith L. Seat
Senior Counsel
Federal Advocacy

cc: Kyle Dixon, Matthew Brill, Monica Desai, Jordan Goldstein, Dorothy Attwood, Jeff Carlisle, Michelle Carey, Kathy Farroba, Jessica Rosenworcel, Aaron Goldberger, Renee Crittendon, Christopher Libertelli, Susan Pie, Leon Bowles (GPSC), Arnold Chauviere (LPSC), James Davis-Smith (DOJ), Qualex International